

Conference Room Paper

3 June 2014

Proposal from the Like-Minded Developing Countries in Climate Change (LMDC)

Decision X/CP.20

Elements for a Draft Negotiating Text of the 2015 ADP Agreed Outcome of the UNFCCC

The Conference of the Parties,

Recalling that the objective of the Convention, in Article 2, provides that the ultimate objective of the Convention and any related legal instruments that the Conference of the Parties may adopt is to achieve the stabilization of GHG concentrations in the atmosphere. It further provides for the parameters of the timeframe in which this ultimate objective should be achieved, that is, to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner;

Underlining that Parties should protect the climate system on the basis of equity and in accordance with their common but differentiated responsibilities;

Reaffirming that Parties' efforts in working towards the long term global goal should be undertaken through the provision of finance, development and transfer of technology and capacity-building to developing country Parties in order to support their mitigation and adaptation actions under the Convention, and take into account the imperatives of equitable access to sustainable development, the survival of countries and protecting the integrity of Mother Earth, as stated in paragraph 2, decision 1/CP.18;

Reiterating that, as stated in decision 1/CP.16, the largest share of historical global emissions of greenhouse gases originated in developed countries and that, owing to this historical responsibility, developed country Parties must take the lead in combating climate change and the adverse effects thereof.

Reiterating further that the work of the ADP "shall be guided by the principles of the Convention", as stated by Decisions 2/CP.18 and 1/CP.19.

Recalling that the preamble of the Convention notes that the largest share of emissions of historical and current emissions has originated in developed countries; and that the share of global emissions originating in developing countries will grow to meet their social and development needs.

Recalling further that the principles of the Convention, in Article 3.1 states that in accordance with their common but differentiated responsibilities and respective capabilities, developed country Parties should take the lead in combating climate change and the adverse effects thereof.

Also recalling the principles of the Convention that provide that "the specific needs and special circumstances of developing country Parties should be given full consideration ... especially those that are particularly vulnerable to the adverse effect of climate change, and of those Parties, especially developing country Parties, that would have to bear a disproportionate or abnormal burden under the Convention" (Article 3.2); that recognize the precautionary principle and those of of cost-effectiveness and comprehensiveness with respect to policies and measures dealing with

climate change (Art.3.3); that sustainable development is essential for adopting measures to address climate change bearing in mind that “the specific conditions of each Party and should be integrated with national development programmes” (Art.3.4); and that measures to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade (Art. 3.5).

Recognizing that Article 4 reflects equity in the commitments of Parties by providing for differentiation of commitments between all Parties and Annex I/Annex II Parties, and that the chapeau of Article 4.1 for all Parties, refers to their common and differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, whereas Articles 4.2, 4.3, 4.4, and 4.5 lay out the commitments of developed country Parties and other developed Parties included in Annex I/Annex II.

Underlining that the balance of these differentiated responsibilities is articulated in Article 4.7 which provides that “the extent to which the developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology, and will take fully into account that economic and social development and poverty eradication are the first and overriding priorities by developing country Parties.”

Reaffirming Decision 3/CP.19, paragraph 4, which acknowledges the importance of providing clarity on the level of financial support that will be provided by developed country Parties to developing country Parties to allow for enhanced implementation of the Convention,

Stressing that the 2015 agreed outcome shall cover all the elements identified in Decision 1/CP.17, paragraph 5,

Have agreed as follows:

I. Guiding Principles

1. The 2015 outcome is to further enhance the full, effective and sustained implementation of the Convention and strengthen the multilateral rule-based regime under the Convention during the post-2020 period in order to achieve the objective of the Convention, based on the Convention’s principles and provisions as well as existing decisions.
2. Developed country Parties shall commit in the 2015 agreed outcome to take the lead in fully implementing the Convention in the pre- and post-2020 periods.
3. The 2015 agreed outcome shall ensure that the gaps in the implementation by Annex I and Annex II Parties of their respective commitments under the Convention are effectively addressed and remedied.
4. Any enhanced action of developing country Parties must be accompanied by a corresponding equivalent in a scaled-up provision of new and additional, adequate and predictable financial resources, including for the transfer of technology, as provided for in Article 4.3 of the Convention, and in accordance with its Article 4.7, and must be measured, verified and reported as has been agreed in the relevant COP decisions.
5. Applicability to all does not mean uniformity but differentiation in application according to

the provisions and principles of the Convention. Universality does not mean uniformity. The current Annexes to the Convention remain valid, as they are a reflection of responsibilities for historical emissions.

6. Efforts of Parties should take into account the protection of the integrity of Mother Earth.
7. There must be positive, comprehensive, and balanced treatment of all the elements identified in decision 1/CP.17, and all equally reflected in one draft negotiating text based on the Convention. These elements are mitigation, adaptation, finance, technology transfer, capacity building, and transparency of action and support.
8. All elements of the 2015 agreed outcome all have the same legal nature, consistent with other related legal instruments that the COP has adopted, and may adopt under the Convention.
9. The 2015 agreed outcome shall have substantive provisions that reflect and operationalize all the elements outlined in decision 1/CP.17 for the 2015 agreed outcome as listed in paragraph 7 above.
10. In light of the guiding principles above, the 2015 agreed outcome shall include substantive provisions that reflect and flesh out all these elements.

II. Enhanced Action on Mitigation

- Equity and CBDR in mitigation
 - Annex I: comparable top-down QELRCs
 - Non-Annex I: nationally-determined NAMAs subject to, enabled, and supported by finance, technology development and transfer, and capacity building from Annex II Parties
 - Response measures
 - Prohibition on unilateral measures under Art. 3.5
 - Mitigation and adaptation to achieve net decrease of emission levels under UNFCCC
 - Strengthening MRV of the provision of means of implementation to developing countries
10. Equity shall be operationalized in the context of the provisions of the Convention considering that developed country Parties should take the lead to combat climate change and the adverse effects thereof, safeguarding and guaranteeing sustainable development and poverty eradication of developing countries; and differentiated mitigation commitments in the context of Article 4.7 of the Convention.
 11. The mitigation provisions should reflect the provisions of the Convention relating to mitigation, specifically the structure of Art. 4.1(b) and (c) and Art. 4.2. All Parties agree that Art. 4.1(b) and (c) implementation needs to be enhanced as a common responsibility, and provided with financial resources at agreed full incremental costs in accordance with Article 4.3, and that Art. 4.2 implementation of specific commitments to mitigate by limitation of GHG emissions shall be enhanced by Annex 1 Parties as their differentiated responsibility.
 12. Annex I Parties, in accordance with Art. 3.1, should take the lead through emission reductions undertaken domestically. There must be comparability of efforts among all Annex I Parties with respect to their mitigation commitments, on the basis of common units

such as timeframe, gases, base year, etc. that enable effective comparability. These efforts should be in the form of specific enhanced comparable quantified economy-wide limitation and reduction commitments (QELRCs) under Art. 4.2, to be in the context of a top-down, historical responsibility- and science-based aggregate Annex I target that go beyond the Kyoto Protocol 2nd commitment period targets for Annex I Kyoto Protocol Parties and the Cancun pledges of Annex I Parties who are not Parties to the Kyoto Protocol.

13. Enhanced mitigation actions, including net avoided emissions, shall be determined nationally by non-Annex I Parties, or should also manifest as adaptation co-benefits, where appropriate. These actions shall be subject to, enabled and supported by finance, development and transfer of technology, and capacity-building from Annex II Parties in accordance with Articles 4.3, 4.5, 4.7, and 11 of the Convention. Actions of non-Annex I Parties shall be nationally determined in accordance with their specific needs and special circumstances as stated in Article 3.2 of the Convention, and taking into account Articles 4.7, 4.8, 4.9, and 4.10, shall provide the context for non-Annex I Parties' enhanced actions on mitigation.
14. A provision shall be included to enhance the implementation by Annex II Parties of their commitments for the provision of financing, technology, and technical services to address impacts on developing countries of the implementation of response measures under Articles 4.8, 4.9, and 4.10 of the Convention. Enhanced national and international actions shall give full consideration to what actions are necessary under the Convention, including actions related to funding, insurance and the transfer of technology to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures, in accordance with Article 4.8. Parties should work effectively to avoid or minimize the effects of mitigation response measures on developing countries under Art. 4.1(g) and (h), financed in accordance with Article 4.3, and Articles 4.8, and 4.10.
15. There should be a provision that operationalizes Article 3.5 of the Convention against the use by Parties of unilateral climate change-related response measures that constitute arbitrary or unjustified discrimination, or disguised restriction on international trade.
16. Based on the principle of common but differentiated responsibilities, the mitigation mechanisms shall promote and finance mitigation and adaptation actions to avoid or prevent GHG emissions in order to achieve a net decrease in overall emission levels in the context of the United Nations Framework Convention on Climate Change.
17. Provisions for the reporting, measurement and verification of financing, meeting costs of adaptation, development and transfer of technology, and capacity-building provided by developed country Parties to developing country Parties for all climate change activities shall be strengthened.

III. Enhanced Action on Adaptation

- Art. 4.4 on provision of financing from developed country Parties and Annex II Parties as the basis for adaptation action of developing countries
- Developing country adaptation actions to be on the basis of NAPs supported by developed country Parties and Annex II Parties' financing
- Strengthening of Convention adaptation-related mechanisms, including having an adaptation registry

- Developed country Parties and Annex II Parties to provide financing for adaptation in developing countries
 - Enhanced national and international adaptation, including economic diversification to build resilience, to be supported by developed country Parties and Annex II Parties' financing
 - Incorporation of Warsaw Loss and Damage Mechanism into 2015 agreed outcome with provision of financing from developed country Parties and Annex II Parties
 - Development and operationalization of approaches to address loss and damage from climate change impacts, recognizing that addressing loss and damage is a challenge that is additional to, and in some cases more than, adaptation actions
18. Article 4.4 on the assistance on meeting the costs of adaptation to adverse effects of climate change to particularly vulnerable developing country Parties, as defined in paragraph 19 of the Preamble of the Convention, and further laid out in Article 4.8, constitutes the basis for enhanced action on adaptation for developing country Parties, as a key priority and a necessary foundation for any enhanced action on mitigation.
 19. Enhanced action under Article. 4.4 shall focus on ensuring the provision of new and additional, adequate, predictable and accessible financial resources, including for the transfer of technology, by developed country Parties and Annex II Parties to meet the costs in developing countries of addressing the adverse effects of climate change, and to enable developing countries to enhance their actions to adapt to climate change in order to achieve sustainable development, as follows:
 20. Adaptation action in developing country Parties should be on the basis of the formulation and implementation of National Adaptation Plans in all interested developing country Parties subject to the provision of new and additional, adequate predictable and accessible financial resources, including for the transfer of technology, from developed country Parties and Annex II Parties and to their National Adaptation Plans of Action for Least-developed country Parties, in accordance with relevant COP decisions,
 21. Existing adaptation-related institutions under the Convention should be strengthened and fully financed. National and regional institutional arrangements should be supported and strengthened to address the specific context and needs of developing countries.
 22. Establishment of an Adaptation Registry as a means for developing countries to present their cases and developed countries to present their support.
 23. Developed country Parties and Annex II Parties shall deliver adequate and predictable funding for adaptation in developing countries, in particular for the implementation of the Cancun Adaptation Framework. Annex II Parties shall also address the historical imbalance in the provision of financing between mitigation and adaptation, by operationalizing its decision 1/CP.16, paragraph 100, that a significant share of new multilateral funding for adaptation shall flow through the Green Climate Fund.
 24. Enhanced national and international actions on adaptation referred to in paragraph 14 of decision 1/CP.16 and by decision 24/CP.18, including by building resilience of socio-economic and ecological systems, including through economic diversification and sustainable management of natural resources, shall be provided with the necessary financing, development and transfer of technology and capacity-building by developed country Parties and Annex II Parties.

Loss and Damage

25. There should be a provision that incorporates the Warsaw international mechanism for Loss and Damage associated with climate change impacts established at COP19 into the 2015 agreed outcome, in accordance with the result of the review under Decision 2/CP.19, paragraph 1. This mechanism provides for specific commitments from developed country Parties and other developed Parties included in Annex II to provide support for the financing and operationalization of this mechanism. Operational modalities and institutional arrangements for this mechanism should be made part of the 2015 agreed outcome, recognizing that addressing loss and damage is a challenge that is additional to, and in some cases more than, adaptation actions.
26. Enhanced action to address loss and damage requires support for the efficient development and operationalization of approaches to address loss and damage associated with the impacts of climate change, including extreme weather events and slow onset events, as well as the establishment of social safety nets and social protection programmes to address damage to or loss of livelihoods associated with the adverse effects of climate change.

V. Enhanced Action on Finance

- Provision by 2015 of financing, including full operationalization of GCF, with quantified financial commitments from developed country Parties up to and beyond 2020
 - Financing under the Convention from developed country Parties to support developing countries and approaches to international cooperation to be channeled through the GCF
 - Enhancing MRV of the provision of financing by developed country Parties
27. In Warsaw, paragraph 4 of Decision 3/CP.17 recognized the importance of providing clarity on the level of financial support from developed country Parties to developing country Parties to enable the enhanced implementation of the Convention. The Standing Committee on Finance was also requested to increase its work beyond biennial assessments to the measurement, reporting and verification of support provided to developing country Parties.
 28. By 2015, the Convention's financial mechanism must be made more robust, with new, additional, adequate, sustained, accessible, and predictable funding provided through its financial mechanism, through the full operationalization of the Green Climate Fund, and for an initial resource mobilization on a very significant scale by 2014, in accordance with the guidance provided in decision 4/CP.19 on the GCF. In this regard, the biennial submissions from developed country Parties on their updated strategies and approaches for scaling up climate finance from 2014 to 2020, including information on quantitative and qualitative elements of a pathway as contained in paragraph 10 of Decision 3/CP. 19, would be crucial to allow for the enhanced implementation of the Convention.
 29. This should include a clear aggregate of developed country Parties' public climate financing commitment of USD70 billion per year by 2016 rising to USD100 billion per year by 2020 as a floor of accounting, and leading to further increased commitments on the provision of financial support for the post-2020 period. Any burden sharing for the provision of climate finance, under the Convention, must be done among developed country Parties, as provided for in Art. 4.3 of the Convention.

30. Financial resources, including for the transfer of technology, provided by developed country Parties under the Convention pursuant to the 2015 agreed outcome shall be channeled through the financial mechanism of the Convention and in particular through the Green Climate Fund. The levels of financing to be provided by developed country Parties should be commensurate to the climate financing needs of developing country Parties as identified by them, and should have an increasing trend over time.
31. Financial resources shall be channeled also to approaches enhancing international cooperation such as joint mitigation and adaptation approaches on forests through the financial mechanism of the Convention and in particular through the Green Climate Fund.
32. It is important to develop a mechanism for the measurement, reporting and verification of support provided to developing country Parties. Parties have to address the need for accurate accounting of the provision of funds from developed country Parties to developing country Parties and to ensure compliance by developed country Parties with their financial obligations for mitigation, adaptation, transfer of technology and capacity building in a way that ensures robustness and transparency. A proposal on mechanisms for measurement, reporting and verification of support tabled by the LMDC in the Standing Committee on Finance, should likewise be reflected in any 2015 agreement.

VI. Enhanced Action on Technology Development and Transfer

- Enhancing action on technology development and transfer through removal of barriers and provision of financing
 - Strengthening existing Convention technology-related mechanisms, and developed country Parties to put in place enabling environment in their countries to remove barriers to technology transfer
 - Modalities to operationalize support by developed country Parties of endogenous technology development in developing countries
33. Technology development and transfer from Annex II Parties to developing countries is a key enabling element under Art. 4.1(c) and 4.5 of the Convention for ensuring enhanced mitigation and adaptation actions by developing countries. Effective and enhanced climate change actions by developing country Parties depend on the effective provision of support, including finance, for technology development and transfer from developed country Parties.
 34. A provision should be incorporated to enhance action on the development and transfer of technologies and know-how, including financing of transfer and access, under Art. 4.5 of the Convention, including by the removal of barriers, including those possible barriers arising from intellectual property rights (IPRs), through the establishment of an international mechanism on IPRs by developed country Parties and the provision of financial resources for technology development and transfer to developing countries through a specific window for technology development and transfer under the Green Climate Fund. Such enhanced action should apply to both mitigation and adaptation-related technologies, and capacity-building, in accordance with the Governing Instrument of the Green Climate Fund.
 35. Existing technology-related mechanisms under the Convention (such as the Technology Executive Committee) should be strengthened with adequate staffing and financing through the core budget of the Convention. Developed country Parties should put in place the enabling environment in their own countries that will remove the barriers, such as cost and

IPRs, to technology development and transfer and enable them to effectively implement their technology development and transfer obligations to developing country Parties under Art. 4.5, and in relation to all relevant sectors, including the energy, transport, industry, agriculture, forestry and waste management sectors under Article 4.1 (c).

36. There should be a provision establishing operational modalities under the Convention through which developed country Parties can commit financing and capacity building resources to support endogenous capacities and technologies for mitigation and adaptation in developing country Parties. These modalities should incorporate financing to facilitate access to and finance the transfer of environmentally-sound technologies from developed country Parties to developing country Parties, and to promote endogenous technology engineering, development, application and diffusion, including transfer in developing country Parties.
37. There should be a provision on research and development of technology, including financing of climate technology development, access, diffusion, and transfer in developing country Parties particularly for the development and enhancement of endogenous capacities and technologies.

VII. Enhanced Action on Capacity Building

- Enhanced capacity building action to be demand-driven by developing country Parties and supported by developed country Parties with specific and quantified finance and technology
 - Establish mechanism for capacity building funded by GCF and linked to the work of the TEC and adaptation institutions, with an evaluation mechanism to assess the effectiveness of the delivery of capacity building to developing countries
38. Under the Convention, enhancing capacity building means that it must be effective and sustained over the long-term until developing country Parties have acquired the capacity to fully implement climate change actions under the Convention. It should be delivered upon the request of the developing country Parties and as identified by them as necessary, and with respect to all actions that may be undertaken by developing country Parties under the Convention. Capacity-building to strengthen capacities and enable development of technologies must be enhanced. It should be demand-driven and based on the needs of developing countries, and be financed and supported by developed country Parties.
 39. Provisions to enhance action on capacity building in developing countries under the Convention should include:
 - a) Specific and quantified commitments from developed country Parties to provide adequate and predictable financing and technology for capacity building for developing countries that require it, with the financing to be channeled through the Green Climate Fund.
 - b) Establishing an international capacity building mechanism to spur enhanced action on capacity building that would be funded by the GCF and whose operations are linked to the work of the TEC and the adaptation institutions. Capacity building could focus on enhancing capacity of developing countries to implement mitigation and adaptation actions under the Convention, including human skills training for planning, implementation, and domestic institution building, and technology

innovation and development of endogenous technology. There could also be an evaluation mechanism to assess the effectiveness of the delivery of capacity building to developing countries in supporting their implementation of the UNFCCC.

VIII. Enhanced Action on Transparency of Action and Support

- Transparency arrangements to be differentiated between developed and developing country Parties based on the Convention, with Annex I Parties to be subject to enhanced MRV for comparability and non-Annex I Parties use MRV procedures set up under Cancun and Durban
 - MRV of support provided by developed countries to developing countries to be further enhanced
40. Transparency of action and support will be a key element in the ADP outcome. Under the Convention, Articles 10.2(a), 10.2(b), 12.1, 12.2 and 12.3 provide the basis for transparency in a manner that is differentiated between developed and developing country Parties.
41. Transparency institutional arrangements with respect to mitigation commitments have been built up under the Convention, including the system for national communications as well as BRs and IAR for developed countries aiming to enhance the comparability and implementation of their commitments and BURs and ICA for developing countries in a manner that is non-intrusive, non-punitive and respectful of national sovereignty (under paragraph 63 of Cancun Decision). Enhancing transparency of the implementation of Annex I Parties' mitigation commitments should be on the basis of enhanced procedures for comparability (e.g. more frequent reporting, standardized format, common accounting framework with common base year and expressed in tons CO₂eq, projections of emission trajectories/pathways). Transparency of non-Annex I Parties' mitigation actions can be done in accordance with current procedures set up under Decisions 1/CP.16 and 2/CP.17, as these involve new procedures and mechanisms that should be given the opportunity to be fully implemented.
42. Enhancements are needed with respect to the transparency of the provision of support to developing countries, including financing and technology transfer. Provisions on the MRV of support provided by developed country Parties to developing countries should be an integral part of the 2015 agreed outcome.
43. There should be a provision to integrate the established mechanisms for the MRV of the provision of financing and technology from developed country Parties, including enhanced procedures for comparability (e.g. more frequent reporting, standardized format, common metrics including common currency). Such an MRV mechanism for the provision of support is a key element in ensuring that finance and technology commitments are being fulfilled by Annex II Parties and that there is a comparability of efforts between themselves with respect to the provision of support to developing countries under the Convention.